



# THE WEEKLY AGRO WATCH



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29<sup>th</sup> March, 2016 Vol.3. No.13

## In this week's issue:

- ❖ Rainfall activity forecast to reduce
- ❖ Upward price adjustment recorded in some poultry feed brands

EVENT BROCHURE



14 – 16 April 2016

GART Research Centre,  
Chisamba, Zambia

FREE TO ATTEND

14 April: Commercial Farmers Focus day  
15 – 16 April: Open to all agriculture professionals

## Exchange Rates

	29/03/2016						21/03/2016					
CURRENCY	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	11.20	11.42	0.73	0.74	15.93	16.25	11.25	11.47	0.74	0.75	16.21	16.54
Standard Chartered Bank	11.16	11.38	0.72	0.74	19.90	16.22	11.22	11.45	0.74	0.75	16.18	16.50
ZANACO	11.22	11.42	0.72	0.74	15.96	16.25	11.27	11.47	0.73	0.75	16.27	16.56
Bank of Zambia	11.31	11.33	0.7299	0.7315	15.97	16.01	11.34	11.36	0.740	0.742	16.32	16.35

## Parity Prices

### Domestic Import Parity Prices as at 29/2016

US\$/ZAR=15.48

US\$/ZMW=11.42

Parity Prices		U\$/ZMW	Maize	Soya	Wheat
<b>Lusaka</b>		11.42	473.4	551	462.3
<b>Town</b>	<b>Ex-Lusaka freight (ZMW)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Chipata	275	24.08	497.48	575.08	486.38
Mkushi	225	19.70	493.10	570.70	482.00
Ndola	250	21.89	495.29	572.89	484.19
Kitwe	250	21.89	495.29	572.89	484.19

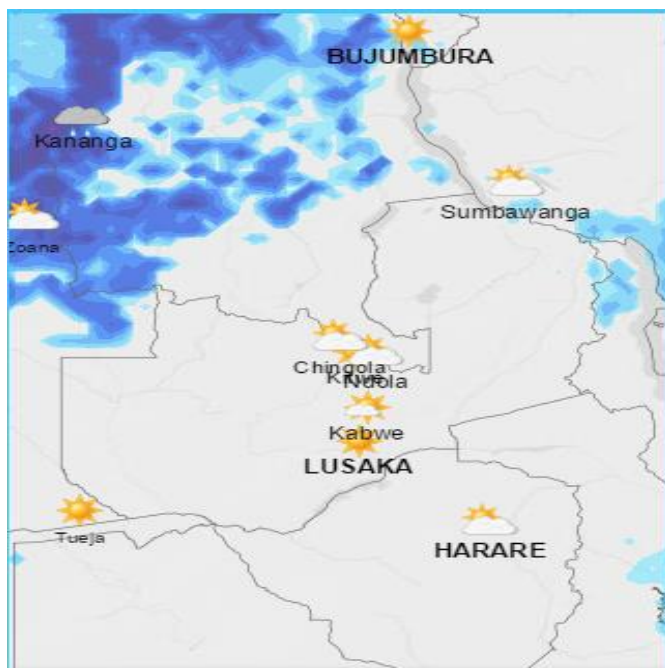
\*Note: import parity prices based on May delivery

### Export Parity Price Ranges (EPP) Harare-Lusaka (11<sup>th</sup> March 2016)

Soya Beans	505-525
Wheat	300-427
Maize	232-281.25

## Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 30<sup>th</sup> March to 7<sup>th</sup> April, 2016. All the selected districts are forecast to have general decrease in rain activity. Upper average temperatures are expected to fall.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> <li>➤ Light and normal rains forecast for 3<sup>rd</sup> and 4<sup>th</sup> April respectively. The rest of the period is forecast to have no rain activities. Clear to cloudy sky is the forecast for this period.</li> <li>➤ Average daily Temps: 17-27°C</li> </ul>
Mkushi	<ul style="list-style-type: none"> <li>➤ Normal rains are forecast for 3<sup>rd</sup> and 4<sup>th</sup> April. The rest of the period is forecast to be partly cloudy to cloudy with no chance of rains.</li> <li>➤ Average daily Temps: 16-27°C</li> </ul>
Kabwe	<ul style="list-style-type: none"> <li>➤ Normal rains forecast for 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> April. Clear to cloudy sky with no rains is expected for the rest of the period.</li> <li>➤ Average daily Temps: 16-28°C</li> </ul>
Lusaka	<ul style="list-style-type: none"> <li>➤ Normal rains forecast for 3<sup>rd</sup> March of 1.3mm while heavy rain of about 11mm is expected on 4<sup>th</sup> March. The rest of days are forecast to have no rain activities. However, the sky is expected to be clear to partly cloudy.</li> <li>➤ Average daily Temps: 17-27°C</li> </ul>

Mazabuka	<ul style="list-style-type: none"> <li>➤ Light rain is forecast for 30<sup>th</sup>, March normal rains for 4<sup>th</sup> April. The rest of the period is expected to have no rain activities (31<sup>st</sup> March -3<sup>rd</sup> April and 5<sup>th</sup>-7<sup>th</sup> April)</li> <li>➤ Average daily Temps: 18-29°C.</li> </ul>
Choma	<ul style="list-style-type: none"> <li>➤ Normal rain is forecast for 4<sup>th</sup> April. Clear sky for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> April whereas 30<sup>th</sup>, 31<sup>st</sup> March, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> are forecast to be partly cloudy to cloudy.</li> <li>➤ Average daily Temps: 16 -26°C</li> </ul>
Livingstone	<ul style="list-style-type: none"> <li>➤ Light rain is forecast for 3<sup>rd</sup>, normal rains for 4<sup>th</sup> and heavy rains expected on 5<sup>th</sup> April. The rest of the days are forecast to have no rain activities.</li> <li>➤ Average daily Temps: 18-30°C</li> </ul>
Mongu	<ul style="list-style-type: none"> <li>➤ Normal rain is forecast for 30<sup>th</sup> March, 4<sup>th</sup> and 5<sup>th</sup> April whereas the rest of the period under review is expected have clear to partly cloudy sky with no rains.</li> <li>➤ Average daily Temps: 20-30°C.</li> </ul>
Mansa	<ul style="list-style-type: none"> <li>➤ Light rains forecast for 30<sup>th</sup> March, 3<sup>rd</sup> and 6<sup>th</sup> April whereas heavy rains forecast for 4<sup>th</sup> and 5<sup>th</sup> April. The rest of the period under review is forecast to have no rain activities.</li> <li>➤ Average daily Temps: 19-27°C.</li> </ul>
Kasama	<ul style="list-style-type: none"> <li>➤ Normal rains expected for 4<sup>th</sup> and 5<sup>th</sup> April and heavy rains for 3<sup>rd</sup> April. The rest of the days are forecast to have no rain activities.</li> <li>➤ Average daily Temps: 18-26°C.</li> </ul>
Solwezi	<ul style="list-style-type: none"> <li>➤ Heavy rain is forecast for 30<sup>th</sup> March, 4<sup>th</sup> and 5<sup>th</sup> April. The rest of the period is forecast to have no rain activities.</li> <li>➤ Average daily Temps: 18-27°C.</li> </ul>
Chipata	<ul style="list-style-type: none"> <li>➤ Normal rains forecast for 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> April, while the rest of the period under review is forecast to have no rain activities.</li> <li>➤ Average daily Temps: 18-27°C.</li> </ul>

Source: Norway meteorological Institute

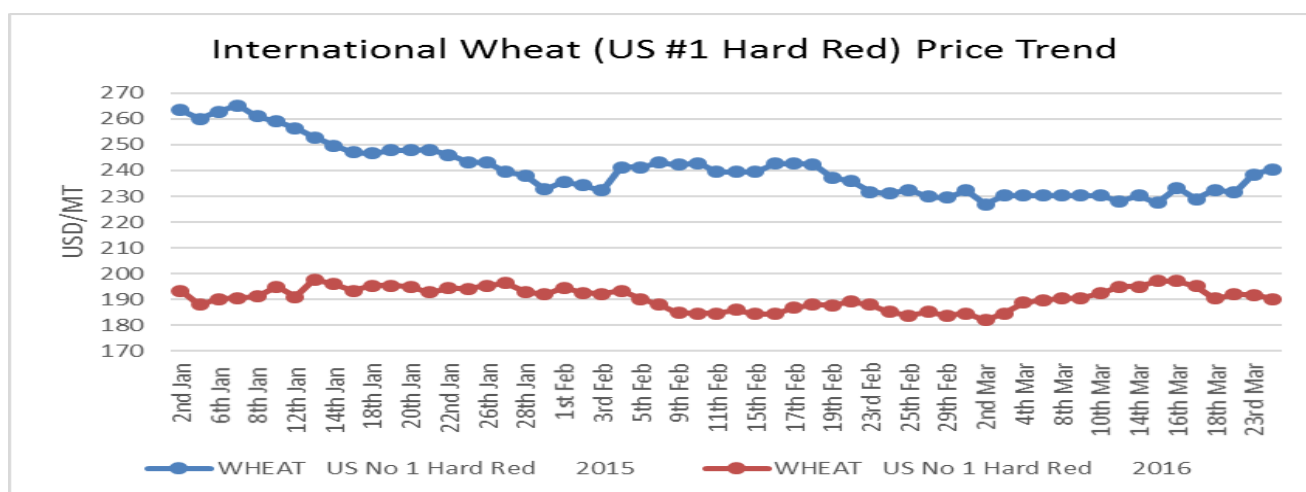
## Wheat

### Highlights

- Canada's 2015/17 wheat plantings are forecast to drop by about 2 percent as some of the wheat area is substituted for oilseeds and other pulses in search for more returns. Exports are also forecast to fall by about 9 percent. International wheat prices have been on a general descent over the last two years.
- CME wheat futures prices for May 2016 opened trading at US\$173.06/MT on 29<sup>th</sup> March 2016.
- Local Trader wheat offer prices on the local scene were still in the range of U\$420-U\$433/MT last week.

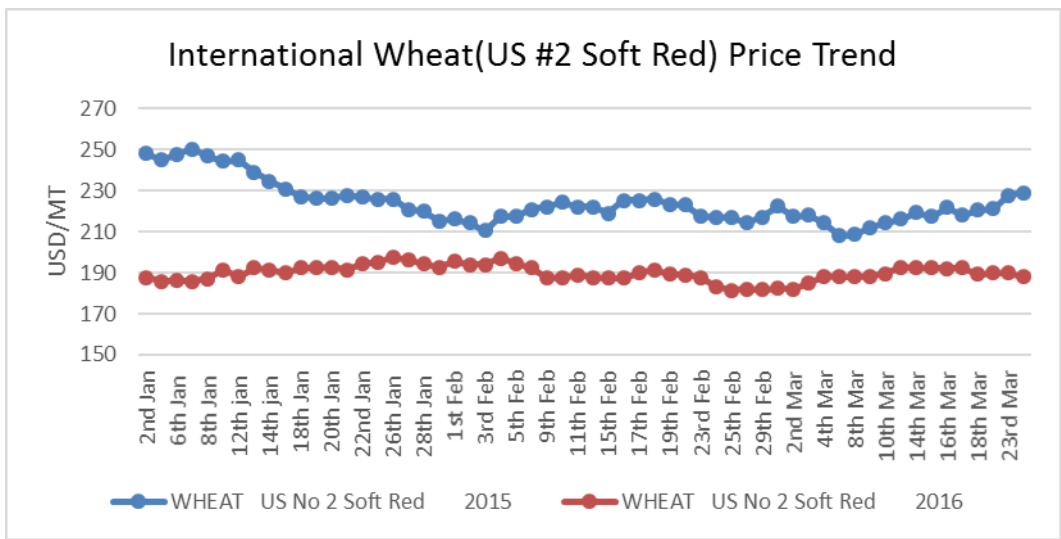
### Price trends

The Safex international soft red and hard red wheat prices averaged US \$ 189.2/MT and US\$ 236.87/MT during the week ending 24<sup>th</sup> March respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



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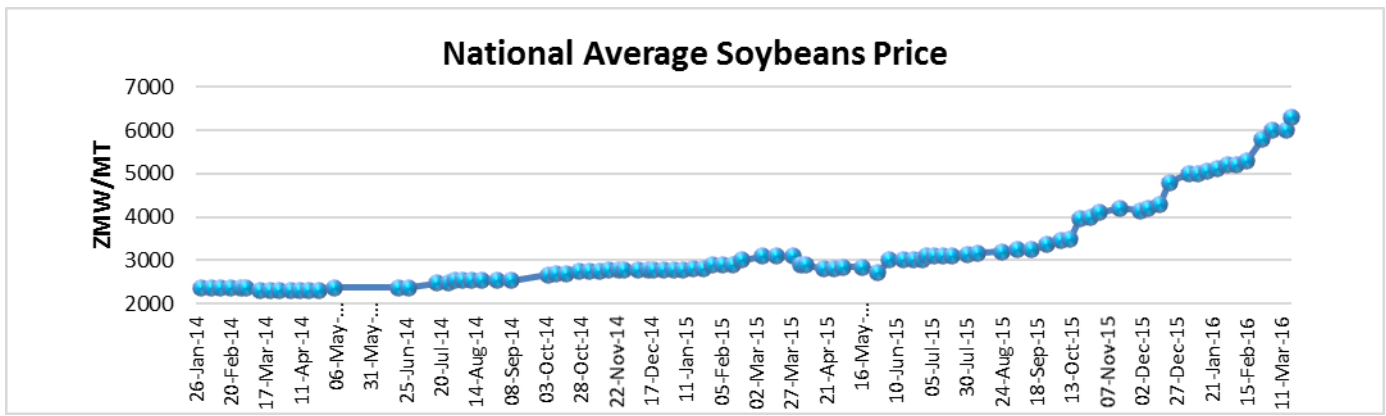


Source: Safex

### Soya Beans

#### Highlights

- As the gap between soya beans oil and palm oil narrows, the likelihood of soya oil taking part of the palm market share is also increasing. Palm oil prices have been on the rise since August last year as the current El Nino is expected to reduce the Malaysian palm harvest by about 2 million tons for the year ending September 2016.
- CME Soya futures price for May 2016 delivery opened trading at US\$333.71/MT on 29<sup>th</sup> March 2016.
- Local Soya beans spot prices were hovering around ZMW5, 900-6,400/MT (≈US\$533-550/ton) last week according to information captured on the ZNFU market price information system.



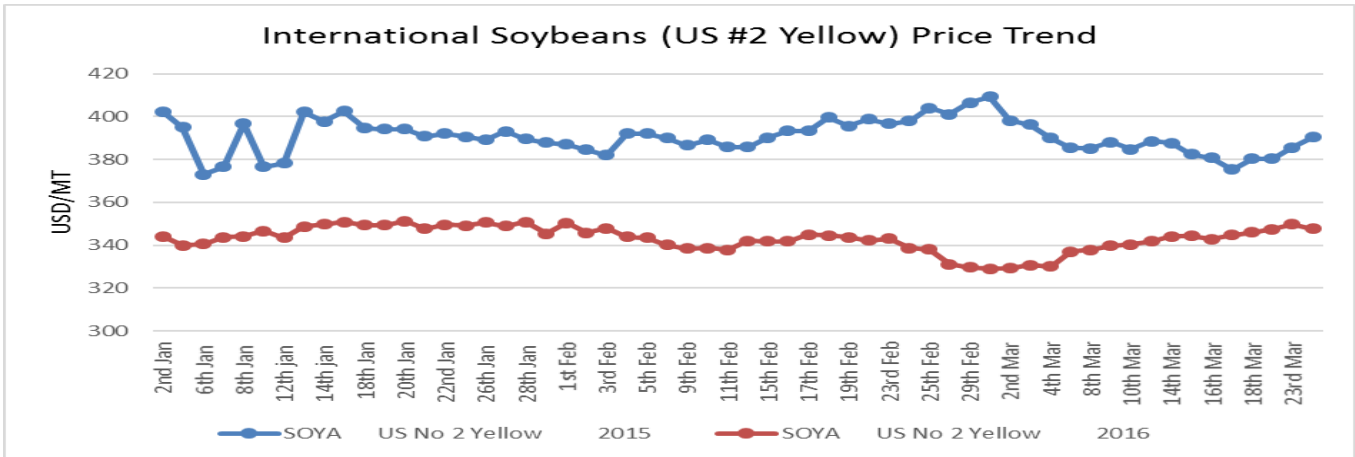
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Source: ZNFU, 4455 Market Price Information System

### Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$348.39/MT in the week ending 24<sup>th</sup> March 2016, 9% below the average price of US\$381.37/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

## Maize

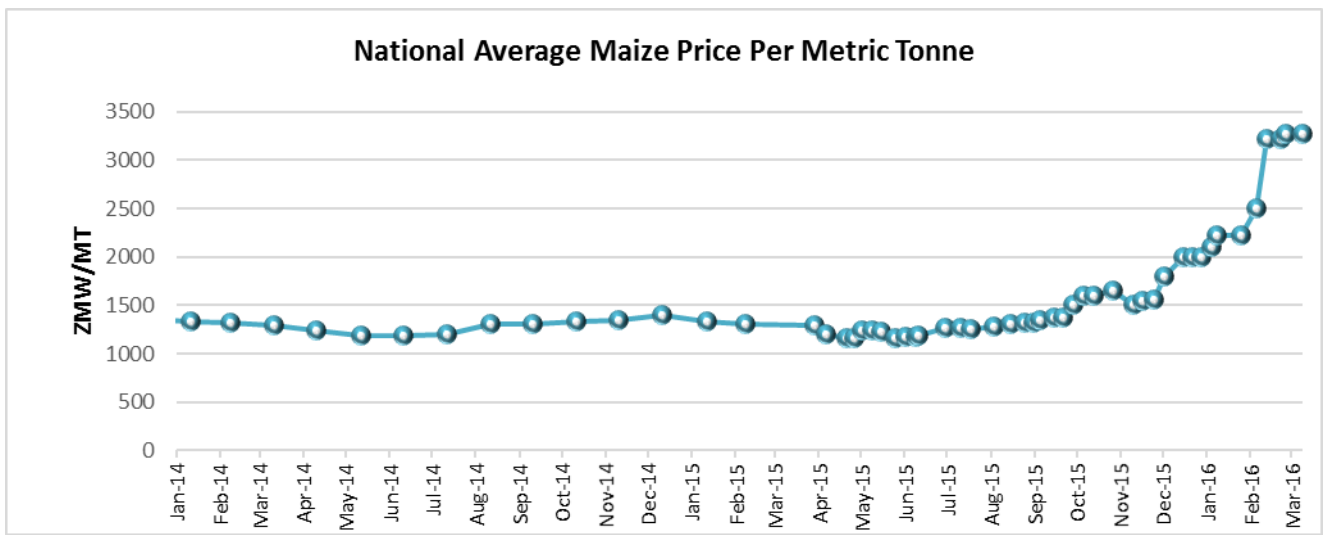
### Highlights

- Kenya, last month, approved for environmental release of insect resistant maize (Bt maize) for national trials. This is with the aim of combating stem borers which are quoted to reduce the Kenyan maize crop by about 13 percent annually. Kenya had imposed a ban of GM organisms import in November 2012 with a view to safeguard public health.
- The CME Corn futures price for March 2016 delivery opened trading at US\$145.82/MT on 29<sup>th</sup> March 2016.
- Local maize offer prices seem to have stabilised over the last two weeks in the range of ZMW 2,700-3,400/MT (≈US\$240-300/ton).

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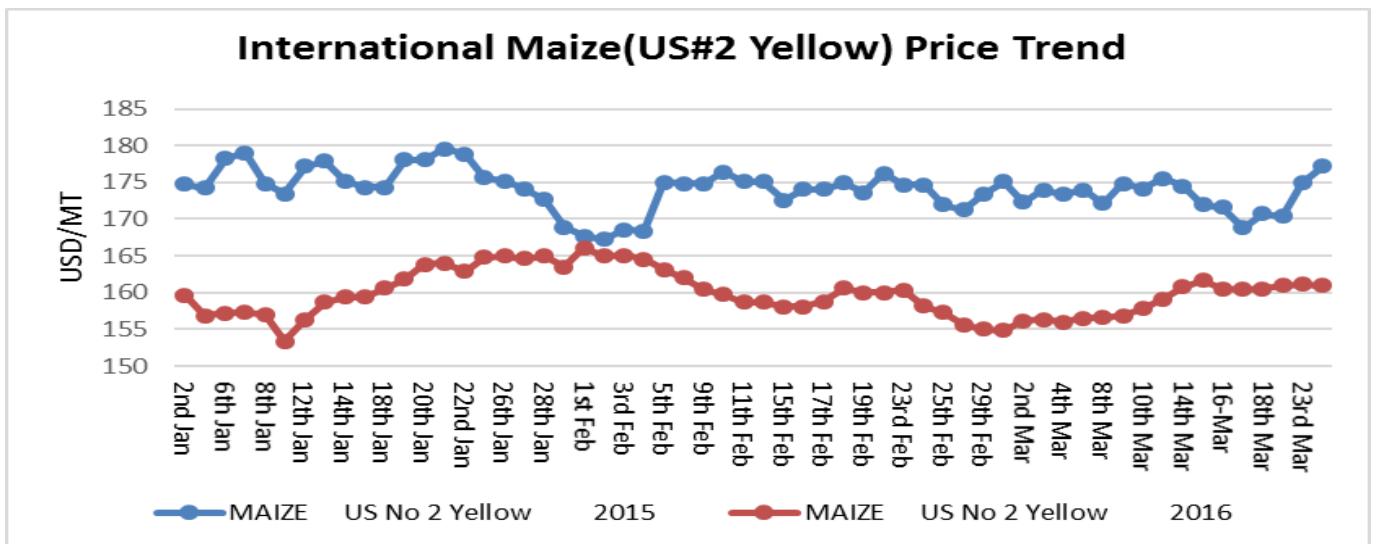




Source: ZNFU, 4455 Market Price Information System

**Price trends**

International maize spot prices traded at an average of US\$ 161.02/ MT during the week ending 24<sup>th</sup> March 2016, 6% lower than the previous week’s average. All prices are fob gulf.



Source: Safex

**Crude oil**

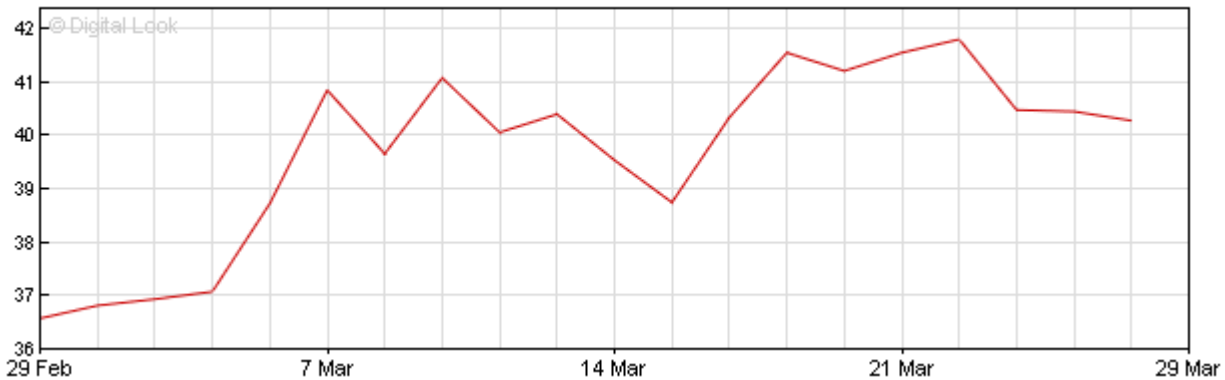
- Local supply of fuel seems to have stabilized over the last week in Lusaka and Copperbelt provinces.
- By 10:45 CAT on 29<sup>th</sup> March 2016, the Brent futures price was US\$39.42/barrel while the spot price closed Thursday’s trading session at US\$40.06/barrel.

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- The Dubai Mercantile exchange crude oil marker price for May 2016 delivery was settled at US\$37.35/barrel on 29<sup>th</sup> March, down from the settlement price of US\$38.29/ barrel on 18<sup>th</sup> March 2016.

### Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

## Beef

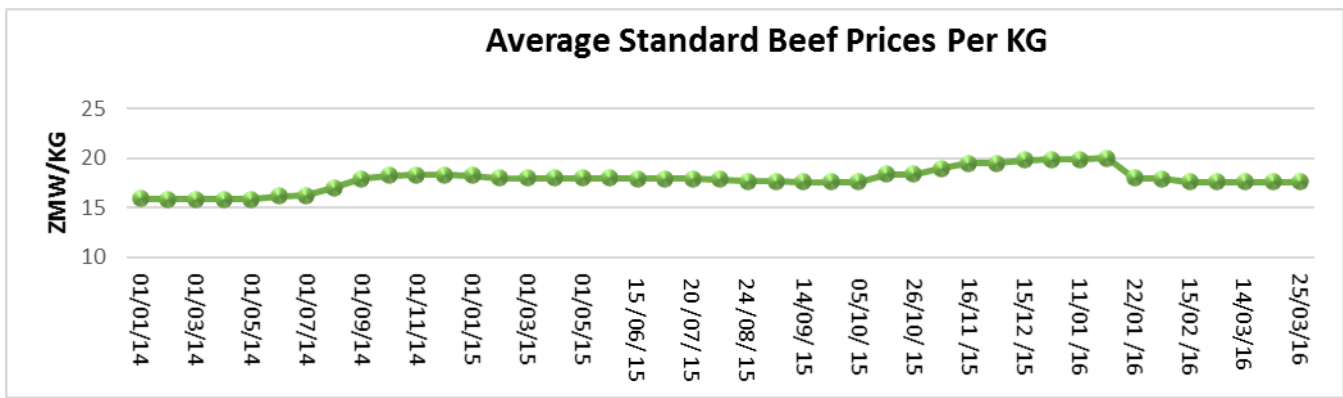
### Highlights

- The Namibian Meat board has set the cattle on any transaction (excluding slaughter) for levy determination during the financial year beginning 1<sup>st</sup> April 2016 at ZAR 4263 (approx. ZMW3,200). Cattle for slaughter will on the other hand be valued at ZAR 6,584. Standard values are only used where livestock transactions cannot be verified, for example export of livestock, otherwise the relevant transaction value applies as at auctions and export abattoirs and the import of livestock. The payment of levies is not subject to VAT.
- According to the Namibian Meat Board, beef prices in Namibia during the week ending 14<sup>th</sup> March 2016 for class A meat was in the range of ZAR 31.22-37.45/Kg, weaners and heifers were auctioning for ZAR18.89 and ZAR17.22 per Kg respectively on 11<sup>th</sup> March 2016. Mongu had the lowest offer price while Mpika had the highest.
- Dressed weight beef prices in Zambia were still in the range of ZMW14-22/kg during the week ending 25<sup>th</sup> March 2016. This is as monitored by the ZNFU 4455 system.

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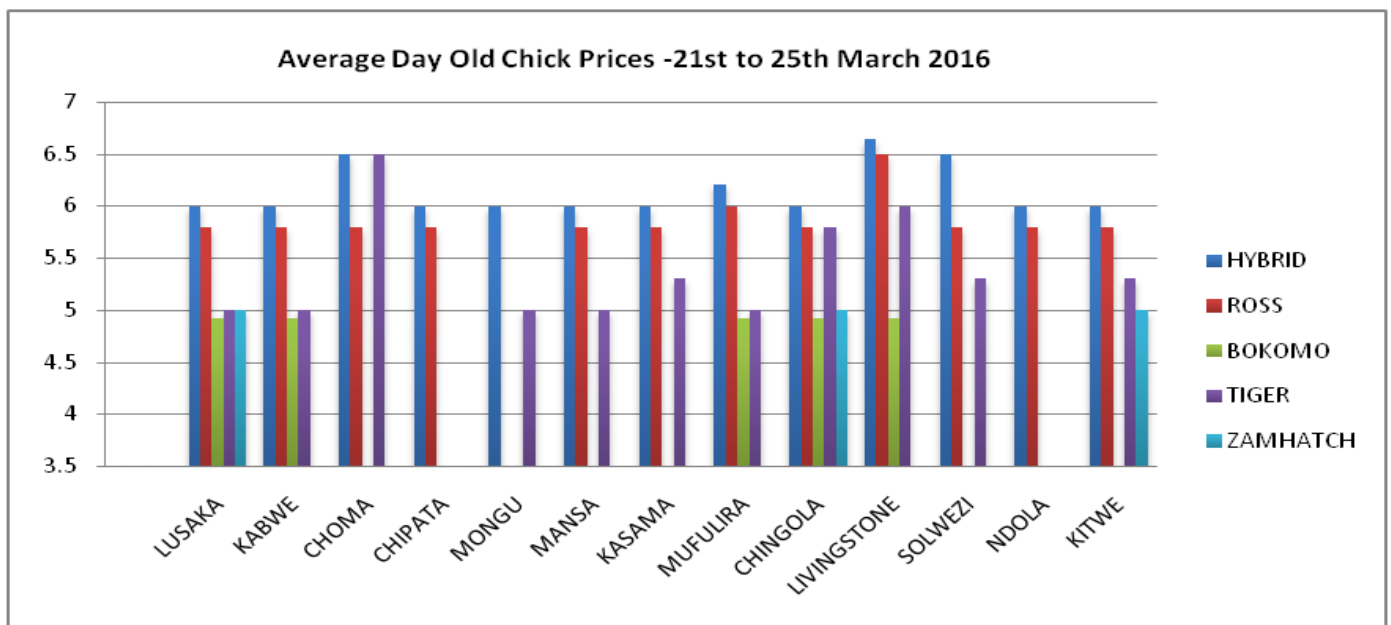


Source: ZNFU, 4455 Market Price Information System

## POULTRY UPDATES FOR THE WEEK ENDING 25<sup>TH</sup> MARCH 2016

### AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. Prices of day old chicks have been static the past two weeks with no significant changes being registered.



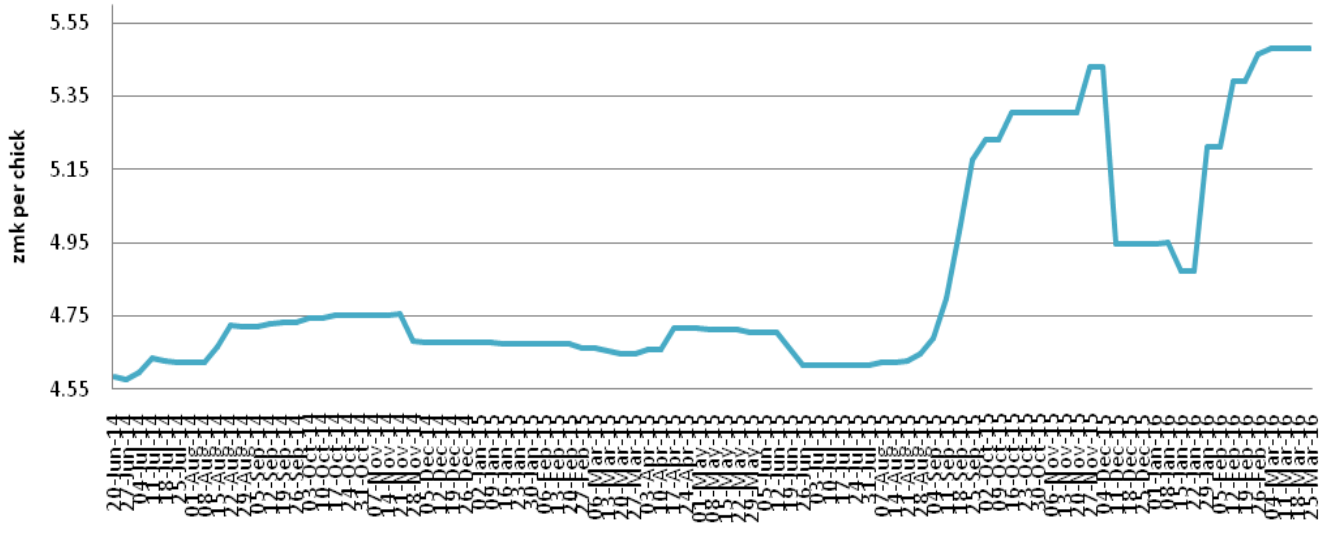
Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to March 2016. The graph also shows that the price of day old chicks has been rising since the beginning of the year but has been static the past few weeks at ZMW5.48.

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National average price for day old chicks June 2014 to March 2016

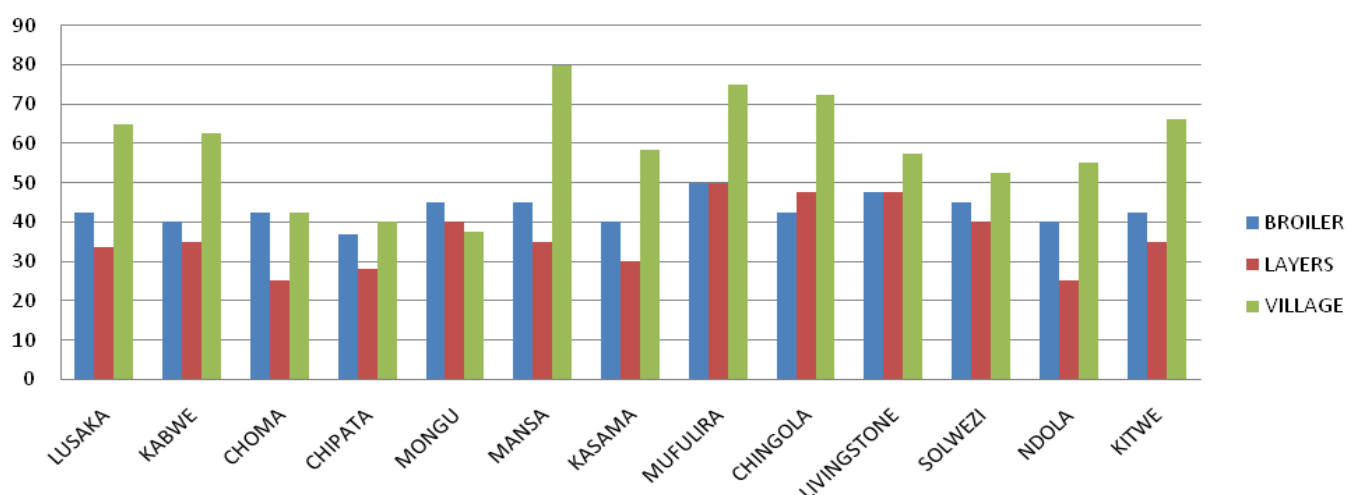


Source: Poultry Association of Zambia

**AVERAGE LIVE BIRDS PRICES**

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The average price of broiler live birds and village chickens in Livingstone went up from ZMW46.50 to ZMW47.50 that is from ZMW47.50 to ZMW57.50 representing a 2% and 21% price increase respectively.

Average Chicken Prices - 21st to 25th March 2016

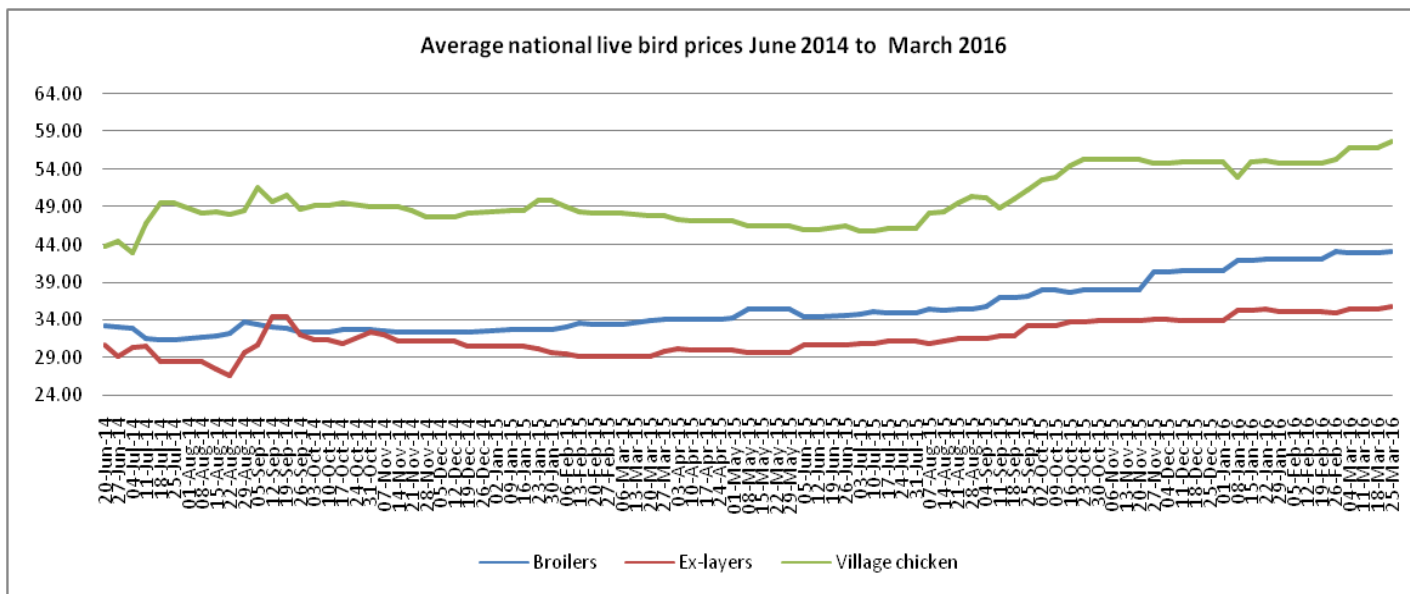


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Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The national average price for broilers, ex-layers and village chickens during the course of the week was ZMW43.04, ZMW35.82 and ZMW57.65 respectively.



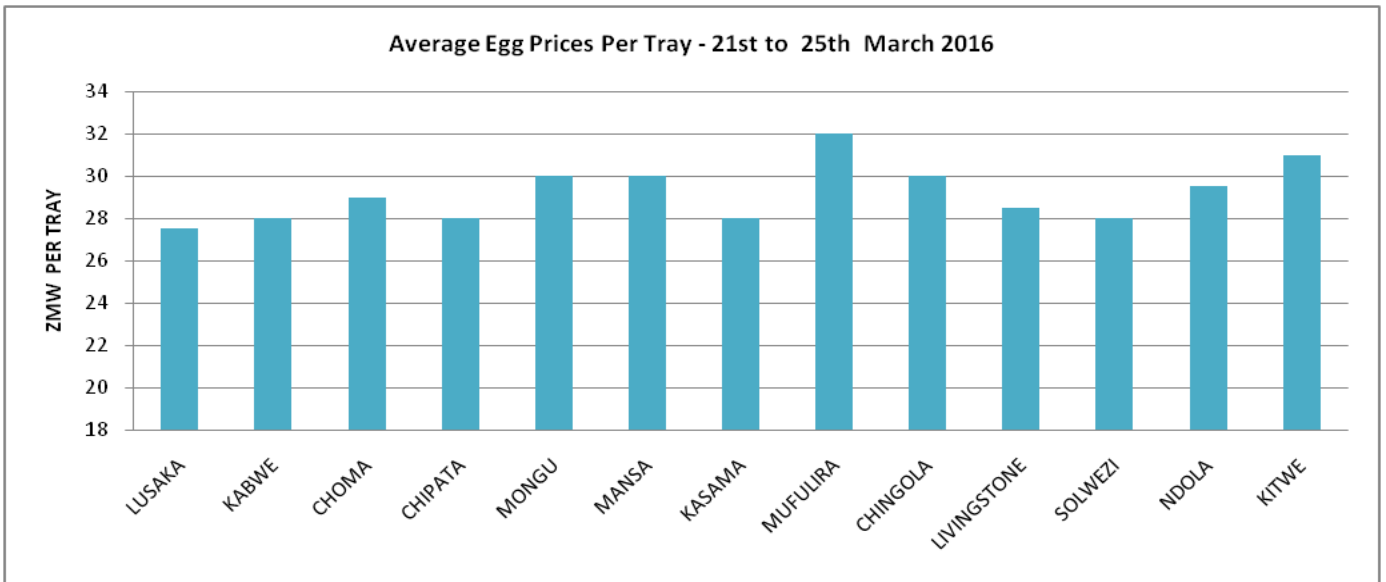
Source: Poultry Association of Zambia

### AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The average price for a tray of eggs in Mufulira went up from ZMW30 to ZMW32 representing a 6.7% price increase while the average price for a tray of eggs in Livingstone also rose from ZMW28 to ZMW28.5 representing a 1.7% price increase.

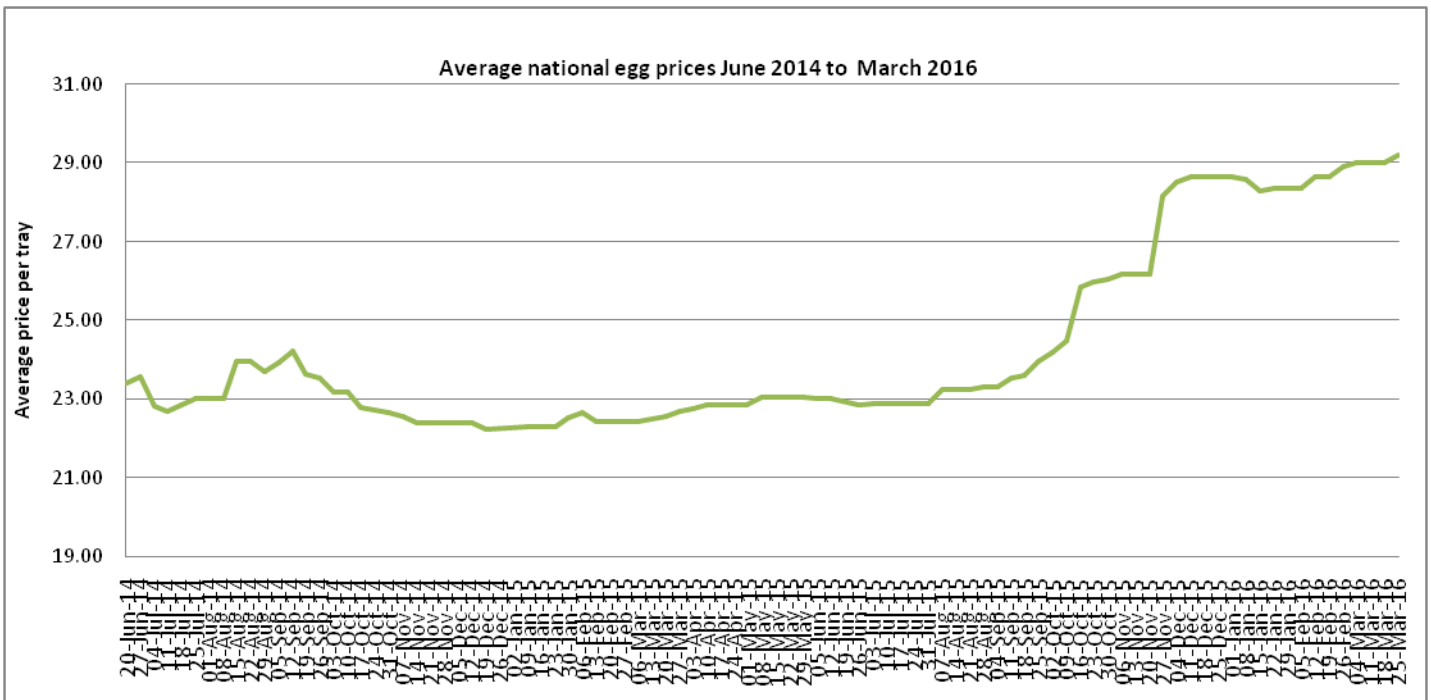
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Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to March 2016. The graph shows that the price of eggs has reached a new high since June 2014 at ZMW29.19. This price increase has been caused by a general increase in the cost of producing eggs.



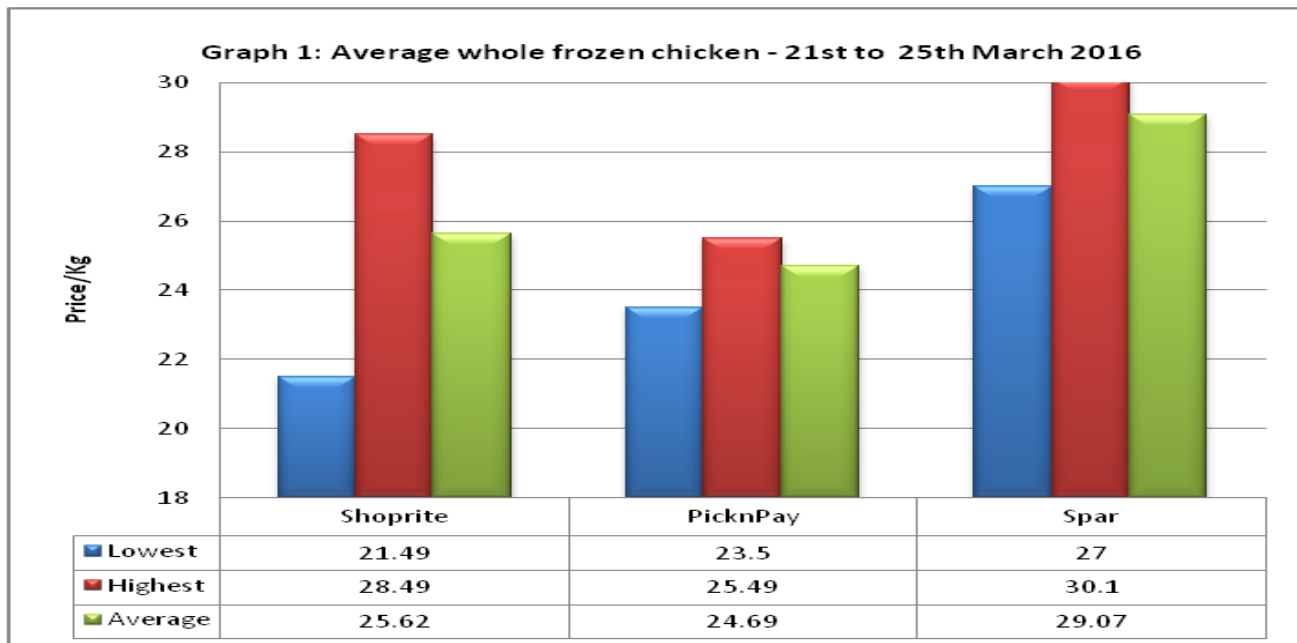
Source: Poultry Association of Zambia

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## AVERAGE WHOLE DRESSED CHICKEN PRICES

**Graph 1** shows average prices of whole frozen chickens in the three chain stores around Lusaka. Pick n' Pay has the lowest average price of frozen whole chicken at ZMW24.69 with the lowest going at ZMW23.5 and the highest going for ZMW25.49. On the other hand, Spar has the highest average price at ZMW29.07 with the lowest and highest going for ZMW27 and ZMW30.10 respectively. In Shoprite, the average price is ZMW25.62 with the lowest going for ZMW21.49 and the highest going for ZMW28.49.



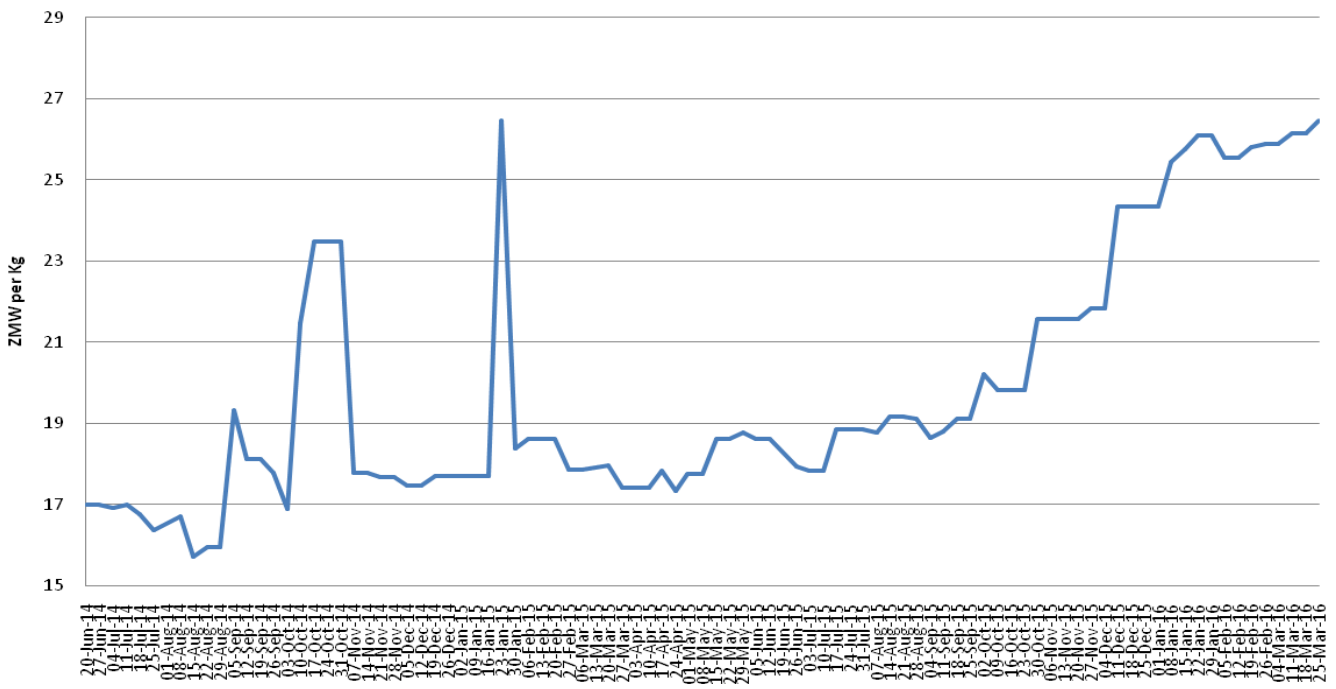
Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – March 2016. The average price for frozen whole chickens in Lusaka went up during the course of the week to ZMW26.46 per kilogram.

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Average prices for whole dressed frozen chicken in Lusaka June 2014 to March 2016

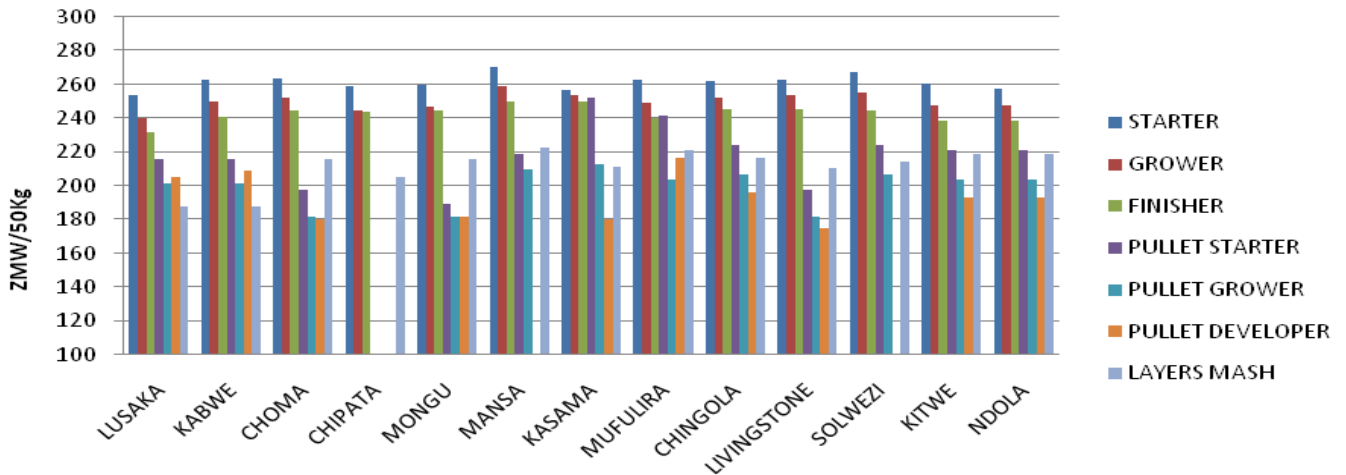


Source: Poultry Association of Zambia

**AVERAGE FEED PRICES**

The graph below shows average feed prices in selected towns. There have been some upward price adjustments on some brands of poultry stock feeds the past two weeks. This has been caused by the high cost of production.

Average Feed Prices- 21st to 25th March 2016

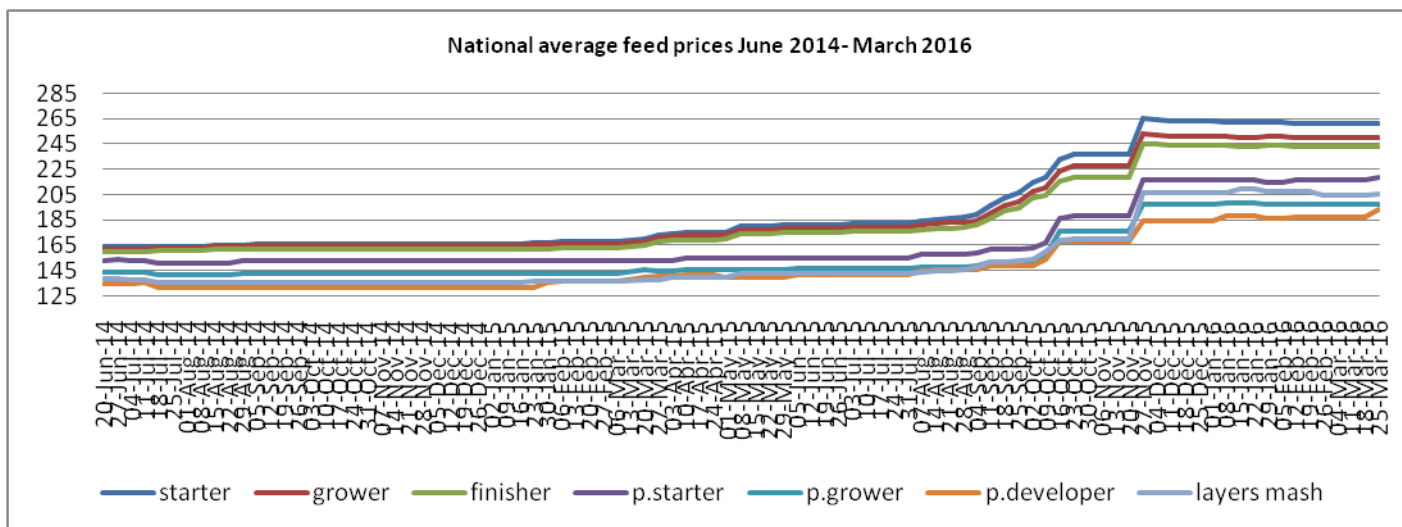


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The graph below shows the national average price trend of feed from June 2014 to March 2016. The graph shows that there has been a further upward movement on some of the types of poultry stock feed.



Source: Poultry Association of Zambia

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